

Minutes of the Finance Committee

Wednesday, December 10, 2003

Chair Haukohl called the meeting to order at 8:57 a.m.

Present: Supervisors Pat Haukohl (Chair), Joe Griffin, Bonnie Morris, and Jim Behrend. Don Broesch arrived at 9:05 a.m. and left the meeting at 12:00 p.m. **Absent:** Genia Bruce and Joe Marchese.

Also Present: Legislative Policy Advisor Mark Mader, Business Manager Betsy Crosswaite, Building Operations Manager Mark Kecheisen, Senior Services Director Cathy Bellovary, Senior Financial Analyst Steve Krafcheck, Senior Financial Analyst Clara Daniels, Employment Services Manager Sue Zastrow, Labor Relations Manager Jim Richter, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Senior Financial Analyst Andy Thelke, Collections & Business Services Manager Sean Sander, Senior Financial Analyst Linda Hein, Accounting Services Manager Larry Dahl, Sheriff Dan Trawicki, Jail Administrator Mike Giese, Sheriff's Business Manager Tom Koth, Register of Deeds Mike Hasslinger, Real Estate Supervisor Steve Heric, Deputy Register of Deeds Chris Crouch, County Board Supervisor Rodell Singert, Senior Financial Analyst Mike Baniel, Emergency Government Coordinator Jim Malueg, Health & Human Services Director Ernie Messinger, and Administrative Services Manager Russ Kutz.

Approve Minutes of Previous Meeting(s)

MOTION: Behrend moved, second by Griffin to approve the minutes of November 5. Motion carried 4-0.

MOTION: Morris moved, second by Behrend to approve the minutes of November 19. Griffin and Morris asked that amendments be made to the minutes. Motion carried 4-0 as amended.

Executive Committee Report

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Reviewed UW-Extension objectives and achievements in depth.

Broesch arrived at 9:05 a.m.

- The full County Board is mileage-approved to attend a presentation and hearing on non-point pollution standards which will be held in the County Board Room.

Schedule Next Meeting Dates

January 7, 2004.

Ordinance 158-O-111: Modify 2003 Transit Services Budget

Crosswaite indicated that due to higher route costs and revenue shortfalls, \$155,000 in tax levy is needed to cover cost overruns. The department inadvertently double-budgeted revenues in one account. Also, Milwaukee County transit increases were higher than what was anticipated in the budget. Revisions and cutbacks were made to some of the routes but didn't fully address the problem. She noted that \$35,000 will be transferred from Public Works building operations

general fund balance and \$120,000 will come from the highway fund balance due to under-spending in those areas.

MOTION: Morris moved, second by Broesch to approve ordinance 158-O-111. Motion carried 5-0.

Fund Transfer 2003-400-2: Public Works – Transfer Funds from Operating Expenses to Personnel Expenses

Crosswaite discussed the fund transfer as outlined which involved transferring \$26,000 to fund personnel costs which were over budget, particularly in the areas of salaries, retirement, and health insurance. This is due to fewer vacancies during 2003 than originally planned for in the budget. Funds are available in the building contract accounts due to overbudgeting in that area. Crosswaite noted that these accounts were reduced in the 2004 budget.

MOTION: Behrend moved, second by Griffin to approve Fund Transfer 2003-400-2, Public Works Department. Motion carried 5-0.

Contract Procurement Process for the Energy Management System

Kecheisen advised that the contract was awarded to Environmental Systems, Inc., the highest rated proposer, for a total contract cost of \$225,600 for four years. The first year cost is \$156,600 and the first year budgeted amount was \$157,100. A total of three responses from potential vendors were received for consideration.

MOTION: Behrend moved, second by Broesch to approve the contract procurement process for the Energy Management System. Motion carried 5-0.

Fund Transfer 2003-35-1: Senior Services – Transfer funds from Interdepartmental Charges to Operating Expenses

Bellovary and Krafcheck discussed the fund transfer as outlined which involved transferring \$4,000 to fund the congregate meals program because additional meals were served than what was anticipated in the budget. Funds are available due to reductions in printing, copy charges, postage, and office supplies.

MOTION: Griffin moved, second by Morris to approve Fund Transfer 2003-35-1, Senior Services Department. Motion carried 5-0.

Morris left the room for ordinance 158-O-115 due to a conflict of interest.

Ordinance 158-O-115: 2004 Non-Represented Employees' Salaries

Zastrow said the proposals in this ordinance are based on current economic trends and is for calendar year 2004. They are taking a three-tiered approach with regards to across-the-board salary increases. Those that would receive 2% salary increases are the lower paid non-represented employees, typically the support and technical staff, but also the senior services aide and the nutrition center managers. The second group would receive 1.75% salary increases and include principal level professionals, senior level professionals, and some entry-level supervisors. And 1.5% salary increases would be given to managers, department heads, doctors, and many of the Information Systems employees.

The following are proposed adjustments to the shift differentials that we pay the registered nurses in the Mental Health Center – a 24-hour operation: \$1.85 for second shift, \$2.35 for third shift, \$1.00 for charge nurses, and \$1.00 for weekend registered nurses. Zastrow said it's difficult to recruit for these positions and we need to remain competitive. Griffin agreed and said it's important this center remain open and operating efficiently for fiscal reasons whereby he explained this further.

The total estimated net fiscal impact of this ordinance is \$539,739. Sufficient funds to cover the costs associated with these changes are included in the 2004 proposed budget. Richter said the overall average equals a 1.7% increase. To answer Mader's question, Richter said this ordinance pertains to about 450 employees.

MOTION: Broesch moved, second by Behrend to approve ordinance 158-O-115. Motion carried 4-0.

Morris returned.

3rd Quarter Special Revenue Funds Report

For nine months of 2003, actual operating expenditures were at \$60.3 million or 62.2% of the total special revenue fund modified budget appropriations. Expenditures for the same period in 2002 were at \$57.9 million or 65.6% of total 2002 expenditures. Operating revenues received through nine months in 2003 were \$50.4 million or 68.0% of the modified 2003 revenue budget. This is compared to the first nine months of 2002 when revenues of \$48.7 million were 69.3% of the total revenues earned for 2002.

3rd Quarter Proprietary Funds Report

Sander and Hein reviewed the report as outlined for the County's various internal service and enterprise funds. Those funds that showed net incomes were the Naga-Waukeee Golf Course (+\$450,000), Wanaki Golf Course (+\$148,612), Materials Recycling (+\$1,245,150), Central Fleet (+\$102,588), Radio Services (+\$360,993), Records Management (+\$172,059), Collections (+\$227,582), and End User Technology (+\$48,300). Those funds that showed net income losses were the Moor Downs Golf Course (-\$4,016), Naga-Waukeee Ice Arena (-\$82,338), Eble Park Ice Arena (-\$59,801), Exposition Center (-\$17,787), Airport (-\$71,044), Vehicle / Equipment Replacement (-\$174,688), Communications (-\$9,018), and Risk Management / Worker's Compensation (-\$119,849). At Haukoil's request, Sander said he would include depreciation figures as a separate line item in future reports.

Ordinance 158-O-109: Appropriate Additional Expenditures and Revenues for the Department of Administration Records Management Fund

Thelke said they are asking to appropriate additional revenues and expenditures in the Records Management Division to pay for postage, primarily associated with the Register of Deeds document volume.

MOTION: Behrend moved, second by Broesch to approve ordinance 158-O-109. Motion carried 5-0.

Resolution 158-R-011: Designate Fund Balance for Sick Leave Retirement Payouts

Mader and Broesch briefly discussed this issue which was also discussed at yesterday's Personnel Committee meeting. The County does not have a special fund set up for sick leave retirement payouts. Typically, for those retiring from smaller departments (30 employees or less), the money comes out of the Non-Departmental Fund. For those departments that have more than 30 employees, they are required to budget for this internally. This does not involve any additional funds as they are already in place. They are looking to show these funds on a balance sheet as a designation of fund balance. This is not a new benefit – it's being done in anticipation of mandated federal changes in our accounting procedures.

MOTION: Behrend moved, second by Broesch to approve resolution 158-R-011. Motion carried 5-0.

The committee recessed for lunch at 12:00 p.m. and reconvened at 1:20 p.m.

Broesch left at 12:00 p.m. and did not return for the remainder of the meeting.

Change of Intent for the 2003 Sheriff Department's Budget

Haukohl referred to Sheriff Trawicki's memo to the Finance Committee dated December 5. Trawicki said several of their Self Contained Breathing Apparatus (SCBA) devices, to be used in case of a fire evacuation, are not serviceable. Also, the current tanks are rated at 30-minute capacity, however, when used in stressful incidents the amount of available air is considerably less than the rated amount. They are asking to purchase seven SCBA units with 45-minute capacity for the Main Jail at \$3,500 each for a total of \$24,500.

In addition, to respond to possible privacy concerns raised by recent state court rulings, additional privacy screens and access gates in the Jail booking area are being requested to insure complete privacy during strip searches. Trawicki said the cost of this is \$3,200.

Funds are available in two separate operational accounts: \$18,500 from Cleaning Supplies which is lower than budgeted, and \$9,400 from Office Equipment due to various savings.

Trawicki advised they also need a security cell at the Huber Facility to house inmates who are combative, intoxicated, or otherwise non-compliant. To answer Haukohl's question, Giese said this cell would be used about 10 to 12 times per week. Trawicki said this need was expressed during the 2003 and 2004 budget process but funding was not available.

Funds are available by using dollars originally budgeted for building construction in the Main Jail at a cost of \$22,800. These funds were originally budgeted as part of a grant for video conferencing. The total grant request was \$64,869 and total project cost was \$19,948. Swartz noted that although the grant funding is budgeted at \$64,869, we will not get the full amount. Therefore, tax levy that would have lapsed into fund balance is actually funding the expenditure for the improvement.

The memo also reads that since the Department's overall 2003 estimate is approximately \$400,000 under the budgeted levy, they feel this use of the expenditure authority is appropriate.

MOTION: Behrend moved, second by Morris to approve the change of intent for the 2003 Sheriff's Department budget. Motion carried 4-0.

Ordinance 158-O-110: Appropriate Additional Revenues and Expenditures in the Register of Deeds Office for the Purchase of Optical Character Recognition Software

Hasslinger discussed this as outlined in the ordinance. With regards to the use of Optical Character Recognition (OCR) software, the Register of Deeds Office completed a study as did the Department of Administration. They believe purchasing this software will allow them to more effectively and efficiently process documents. Hasslinger said they are asking that \$100,000 in revenues be used to purchase the OCR software. He noted that revenues exceeded the budgeted amount by \$1.6 million.

For comparison purposes, Hasslinger said in 1993 they processed 121,000 documents with 24 employees and in 2003 they processed 215,000 documents with 27 employees – a 77% workload increase.

After the RFP process, they will have one year to implement the software. Thereafter, the Department of Administration will bring in an outside consultant to evaluate the effectiveness and efficiency of the new software. Hasslinger said they will reduce their staff by one FTE clerical position, upon vacancy, if they can handle and manage the increased workload with the help of the OCR software. Sander said in order for the return on investment to be achieved for this software, the position would have to be reduced no later than six months after implementation. Haukohl noted, whereby Sander agreed, that much of this will depend on how many documents they receive for processing.

Mader said, per Chief of Staff Lee Esler, that he was not aware of any other ordinances whereby due to an investment in technology, there is a quid pro quo right in the ordinance. And if we choose to approve this ordinance, does that send a message that any future technology investments we make will result in a dismissal of personnel?

To answer Morris' question, Hasslinger said they will incur yearly operating costs associated with the software. Sander said this is typically 15% to 20% of the cost. Hasslinger said every year they come before the County Board to ask for about \$100,000 for temporary and overtime help. They have to start looking at other ways to increase production.

Some committee members were concerned about cutting a position that might be needed in the future. Haukohl referred to the ordinance which states the position will be cut unless an outside staffing analysis supports retention of that position. Sander noted that if it's determined the position should be cut, it would happen six months after implementation. Haukohl felt some of the wording in the ordinance could be clarified and she would support Supervisor Singert if he made an amendment on the County Board floor stating the position may be cut. Mader noted that the binding legislative intent is in the "ordained" paragraphs and it's important they clearly express intentions.

MOTION: Behrend moved, second by Morris to approve ordinance 158-O-110. Motion carried 4-0.

Ordinance 158-O-112: Accept FY – 2003 State Homeland Security Part II Grant Program Funds and Modify the Waukesha County Emergency Management's 2004 Budget to Appropriate Grant Expenditures and Revenues

Malueg briefly discussed this ordinance which involved accepting a 2003 Federal Homeland Security Grant totaling \$677,803 for 2004. The funds will be used to purchase equipment and supplies for a variety of County and Municipal agencies including personal protective equipment, interoperable communications, physical security enhancement, medical supplies and pharmaceuticals, etc.

MOTION: Morris moved, second by Griffin to approve ordinance 158-O-112. Motion carried 4-0.

Ordinance 158-O-114: Appropriate State and Federal Funding for Intensive and Post Intensive Autism Treatment Services in the Department of Health and Human Services

Haukohl noted this issue was discussed in length during a previous Finance Committee meeting. The ordinance involves accepting \$2,684,500 in State and Federal grant funding for contracted Autism treatment services. Messinger referred to the fiscal note and said while this dollar amount looks accurate, it is an estimate and the actual figure could be slightly higher or lower. If so, staff will need to come before the County Board for a budget adjustment. Haukohl noted that we are receiving reimbursement of 7% for administrative costs. She asked if this was sufficient whereby Kutz said yes and that this figure was standard.

MOTION: Morris moved, second by Behrend to approve ordinance 158-O-114. Motion carried 4-0.

Fund Transfer 2003-153-1: Circuit Court Services – Transfer Funds from Personnel Expenses to Operating Expenses and Interdepartmental Charges

Baniel briefly discussed the fund transfer as outlined which involved transferring \$35,000 to provide for anticipated overall court ordered legal service costs which are estimated to exceed the budget. Funds are available due to salary and social security under-expenditures. In addition, overtime expenditures were under-spent due to departmental efforts to provide internal costs savings to apply to potential year-end operating budget shortfalls.

MOTION: Behrend moved, second by Griffin to approve Fund Transfer 2003-153-1, Circuit Court Services. Motion carried 4-0.

MOTION: Griffin moved, second by Behrend to adjourn at 2:12 p.m. Motion carried 4-0.

Recorded by Mary Pedersen, Legislative Associate.

Respectfully submitted,

Joseph F. Griffin
Secretary